

# GAMBLING COMMISSION

Conditions and Codes of Practice applicable to:

**Non-remote Gaming Machine Technical: Full  
Licences**

**Non-remote Gaming Machine Technical: Supplier  
Licences**

**Non-remote Gaming Machine Technical: Software  
Licences**

**Non-remote Gambling Software Licences**

December 2008

**Your licence is subject to certain conditions and codes of practice, these are  
detailed in the following pages**

# Statutory conditions attached by virtue of the Act

## Social responsibility

This licence is subject to a condition that the licensee ensures compliance with any relevant social responsibility provision of a code of practice issued by the Commission. The social responsibility provisions that are relevant to the activities authorised by this licence are set out in the section entitled Codes of Practice.

**(Sections 24 and 82(1) Gambling Act 2005)**

## Commission General Conditions

The Commission's complete suite of Licence Conditions to be attached to operating licences pursuant to section 75 of the Act includes some conditions which may not apply to your licence. Where that is the case the irrelevant conditions have not been reproduced below. The full list of Licence Conditions and Codes of Practice are contained within the Commission's Publication "Licence Conditions and Codes of Practice"

## Qualified persons and personal licences

### Qualified persons

#### **The following condition applies to all operating licences issued to small-scale operators**

In this condition the terms 'small-scale operator', 'qualifying position' and 'qualified person' have the meanings respectively ascribed to them by the Gambling Act 2005 (Definition of Small-scale Operator) Regulations 2006.

Schedule X<sup>1</sup> lists those individuals notified to the Commission as qualified persons.

If, whilst the licensee remains a small-scale operator, an individual begins or ceases to occupy a qualifying position in relation to the licensee, the licensee must within 28 days apply to the Commission under s104(1)(b) for amendment of the details of the licence set out in Schedule X<sup>1</sup>.

An application for amendment under s104(1)(b) may be made in advance of an individual beginning or ceasing to occupy a qualifying position provided it specifies the date from which the change to which it relates is to be effective.

### Personal licences

(a) Subject to (e) and (f) below licensees must ensure:

- (i) that each individual who occupies one of the management offices specified in (b) below in or in respect of the licensee or in connection with the licensed activities holds a personal licence authorising the performance of the functions of that office (hereafter 'a personal management licence')
- (ii) that at least one person occupies at least one of those offices.

(b) The specified management offices are those offices (whether or not held by a director in the case of a licensee which is a company, a partner in the case of a licensee which is a partnership or an officer of the association in the case of a licensee which is an unincorporated association) the occupier of which is by virtue of the terms of their appointment responsible for:

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<sup>1</sup> The schedules mentioned here will be attached to individual licences.

- the overall management and direction of the licensee's business or affairs
- the licensee's finance function as head of that function
- the licensee's gambling regulatory compliance function as head of that function
- the licensee's marketing function as head of that function
- the licensee's information technology function as head of that function in so far as it relates to gambling-related information technology and software
- oversight of the day to day management of the licensed activities at an identified number of premises licensed under Part 8 of the Act or across an identified geographical area
- in the case of casino and bingo licences only, oversight of the day to day management of a single set of premises licensed under Part 8 of the Act.

(c) Licensees must take all reasonable steps to ensure that anything done in the performance of the functions of a specified management office is done in accordance with the terms and conditions of the holder's personal management licence.

(d) Where an individual is authorised by a personal licence and that licence comes under review under section 116(2) of the Act, the operating licensee must comply with any conditions subsequently imposed on that licence by the Commission about redeployment, supervision, or monitoring of the individual's work and any requirements of the Commission in respect of such matters applicable during the period of the review.

(e) Paragraphs (a) to (d) above shall not apply to a licensee for so long as the licensee is a 'small-scale operator' as defined in the Gambling Act 2005 (Definition of Small-scale Operator) Regulations 2006 ('the Regulations').

(f) During the period of 3 years commencing with the date on which a licensee ceases to be a small-scale operator paragraphs (a) to (e) above shall apply subject to the proviso that the phrase 'each individual' in paragraph (a)(i) shall not include any individual who was a 'qualified person' (as defined in the Regulations) in relation to the licensee 28 days immediately prior to the licensee ceasing to be a small-scale operator.

## **Technical standards and equipment specifications**

Licensees must comply with the Commission's technical standards and with requirements set by the Commission relating to the timing and procedures for testing.

## **Financial robustness**

### **Notification of shareholders**

All company licensees must notify the Commission of the name and address of any person who becomes a shareholder in the company or its holding company holding 3% or more of the issued share capital of the company or its holding company; or any existing shareholder who acquires a holding of 3% or more of the issued share capital of the company or its holding company.

In this condition 'holding company' has the meaning ascribed to that term by section 1159 of the Companies Act 2006 or any statutory modification or re-enactment thereof.

## Display of licensed status

Licensees offering the supply of gaming machines or gambling software on websites must:

- a) display the following information on the first page of the website which offers gaming machines or gambling software in reliance on the licence:
  - (i) a statement that they are licensed and regulated by the Gambling Commission;
  - (ii) their licence number; and
  - (iii) a link to the Commission's website;
- b) display at least the information at (i) above on each page of the website which offers gaming machines or gambling software in reliance on the licence.
- c) where they offer on pages of, or by means of a link from, their website, the supply of gaming machines or gambling software which are not provided in reliance on their licence, clearly distinguish those products which are regulated by the Commission from those which are not.

## Access to premises

Licensees must have and put into effect policies and procedures (including staff training programmes) designed to ensure that their staff co-operate with the Commission's enforcement officers in the proper performance of their compliance functions and are made aware of those officers' rights of entry to premises contained in Part 15 of the Act.

## Information requirements

### Reporting suspicion of offences etc

Licensees must provide the Commission with any information that they know relates to or suspect may relate to the commission of an offence under the Act, including an offence resulting from a breach of a licence condition or a code provision having the effect of a licence condition.

### Reporting 'Key Events'

A key event is an event that could have a significant impact on the nature or structure of a licensee's business. Licensees must notify the Commission of the occurrence of any of the following key events as soon as reasonably practicable and in any event within five working days of the licensee becoming aware of the event's occurrence<sup>2</sup>.

- in the case of licensees which are companies, a petition being presented for their winding up or the winding up of any group company of theirs, or they or any group company being placed in administration or receivership: in this condition a 'group company' is any subsidiary or holding company of the licensee – as those terms are defined in section 1159 of the Companies Act 2006 or any statutory modification or re-enactment thereof – and any subsidiary of such holding company
- in the case of a licensee who is an individual (or a partner in a partnership licensee) their being presented with a petition for their bankruptcy or sequestration or their entering into an individual voluntary agreement

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<sup>2</sup> Key events can be reported securely online at the Commission's website at [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk) or by email to [key.events@gamblingcommission.gov.uk](mailto:key.events@gamblingcommission.gov.uk) or posted to Key Events, Compliance Administration Team, Gambling Commission, Victoria Square House, Victoria Square, Birmingham B2 4BP

- where the licensee is required to have their accounts independently audited, any unplanned change of auditor including a change prompted by a dispute or resulting from auditors being unable or unwilling to sign an unqualified audit report
- the departure from the licensee's business of any person occupying a 'qualifying position' as defined by Regulation 2(2) of the Gambling Act 2005 (Definition of Small-scale Operator) Regulations 2006
- any breach of a covenant given to a bank or other lender
- any default in making repayment of the whole or any part of a loan on its due date
- any court judgments remaining unpaid 14 days after the date of judgment
- the commencement of any material litigation against the licensee
- the imposition of a disciplinary sanction, including dismissal, against the holder of a personal licence or a person occupying a qualifying position for gross misconduct; or the resignation of a personal licence holder or person occupying a qualifying position following commencement of disciplinary proceedings in respect of gross misconduct against that person
- in the case of remote gambling, the commencement or cessation of trading on website domains (including WAP URLs) or broadcast media through which the licensee provides gambling facilities.

## General and Regulatory Returns

On request, licensees must provide the Commission with such information as the Commission may require about the use made of facilities provided in accordance with this licence, and the manner in which gambling authorised by this licence and the licensee's business in relation to that gambling are carried on, including in particular information about:

- the numbers of people making use of the facilities and the frequency of such use
- the range of gambling activities provided by the licensee and the numbers of staff employed in connection with them
- the licensee's policies in relation to, and experiences of, problem gambling.

In particular, within 28 days of the end of each quarterly or annual period as the case may be, licensees must submit a Regulatory Return to the Commission containing such information as the Commission may from time to time require<sup>3</sup>.

## Secretary of State General Conditions

None at present

## Codes of practice

### Introduction

This is the Commission's principal code of practice, issued under section 24 of the Gambling Act 2005, as revised with effect from 1 January 2009. There are two types of provision in the code:

- social responsibility provisions: compliance with these is a condition of licences; therefore any breach of them by an operator may lead the Commission to review the operator's licence with a view to suspension, revocation or the imposition of a financial penalty and would also expose the operator to the risk of prosecution; and

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<sup>3</sup> Regulatory returns can be submitted securely online at the Commission's website at [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk). For operators unable to access this system, the forms and a guide to completing them can be requested from the Commission and returned by email to [Regulatory>Returns@gamblingcommission.gov.uk](mailto:Regulatory>Returns@gamblingcommission.gov.uk) or by post to Regulatory Returns, Compliance Administration Team, Gambling Commission, Victoria Square House, Victoria Square, Birmingham, B2 4BP

- ordinary code provisions: these do not have the status of licence conditions, but are admissible in evidence in criminal or civil proceedings and must be taken into account in any case in which the court or tribunal think them relevant and by the Commission in the exercise of its functions. Any breach of ordinary code provisions by an operator may be taken into account by the Commission on a licence review, but cannot lead to imposition of a financial penalty. These code provisions are in italics in this section and generally set out good practice in these areas.

## **Financial requirements**

### **Ordinary code provision**

In order to help prevent activities related to money laundering licensees should take into account the Commission's advice on the Proceeds of Crime Act 2002, *Duties and responsibilities under the Proceeds of Crime Act 2002. Advice for operators (excluding casino operators)*.

## **Protection of children and other vulnerable persons**

### **Combating problem gambling**

#### **Social responsibility code provision**

Licensees must have and put into effect policies and procedures intended to promote socially responsible gambling.

Licensees' policies and procedures for socially responsible gambling must include but need not be confined to:

- the specific policies and procedures required by the following provisions of section 2 of this code
- a commitment to and how they will contribute to research into the prevention and treatment of problem gambling
- a commitment to and how they will contribute to public education on the risks of gambling and how to gamble safely
- a commitment to and how they will contribute to the identification and treatment of problem gamblers.

## **Marketing**

### **Ordinary code provision**

All advertising of gambling products and services should be undertaken in a socially responsible manner. In particular, licensees should comply with the advertising codes of practice which apply to the form and media in which they advertise their gambling facilities or services, and for media not explicitly covered should apply the principles included in these codes of practice as if they were explicitly covered. Licensees should also follow any relevant industry code of practice on advertising.

However, the particular restriction on allowing people aged under 25 to appear in adverts need not be applied to point of sale advertising material, provided that the images used depict the sporting activity that may be gambled on and not the activity of gambling itself and do not offend any other aspect of the advertising codes.

## **Gambling licensees' staff**

### **Social responsibility code provision**

Licensees must take all reasonable steps to ensure that staff involved in the provision of facilities for gambling are made aware of advice on socially responsible gambling and of where to get confidential advice should their gambling become hard to control.

## **Information requirements**

### **Ordinary code provision**

The Commission expects licensees to work with the Commission in an open and cooperative way and to inform the Commission of any matters that the Commission would reasonably need to be aware of in exercising its regulatory functions. These are matters that will have a material impact on the licensee's business or on the licensee's ability to conduct its business. Such matters, which should be notified to the Commission as soon as reasonably practicable<sup>4</sup>, include the following:

- the departure from the licensee's business of any person named in the licence application, or that person's successor, who holds a personal management licence, but who does not occupy a 'qualifying position'
- any reduction in the number of staff employed by the licensee where that has a material impact on the licensee's business
- the acquisition or disposal by the licensee of gambling premises or pitches where that has a material impact on the size or nature of the licensee's business
- in the case of corporate licensees, the disposal or acquisition of any group company where that has a material impact on the licensee's ability to conduct its business
- any disposal of the licensee's assets where that has a material impact on the licensee's business
- any investigation by a professional, statutory, regulatory or government body into the licensee's activities, or the activities in relation to the licensed entity of a personal licence holder or a person occupying a qualifying position employed by them, where such an investigation could result in the imposition of a sanction or penalty which, if imposed, could reasonably be expected to raise doubts about the licensee's continued suitability to hold a Gambling Commission licence
- any instance of criminal activity, including repeated instances of small-scale theft or fraud, where that has a material impact on the licensee's business
- any major breach in the licensee's information security where that adversely affects the confidentiality of customer data or prevents customers from accessing their accounts for a substantial period of time
- any other matters that have a material impact on the licensee's business or on the licensee's ability to conduct its business.

<sup>4</sup> These matters can be reported securely online at the Commission's website at [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk) or by email to [key.events@gamblingcommission.gov.uk](mailto:key.events@gamblingcommission.gov.uk) or posted to Key Events, Compliance Administration Team, Gambling Commission, Victoria Square House, Victoria Square, Birmingham, B2 4BP

**Gambling Commission December 2008**

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## **Keeping gambling fair and safe for all**

For further information or to register your interest in the Commission please visit our website at: **[www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)**

Copies of this document are available in alternative formats on request.

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